vss

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

SUIT NO.1910 OF 1980

Syndicate Bank ... Plaintiff

V/s.

M/s.New Synthetic
Chemical Industries & Anr. ... Defendants

Mr.Gautam Mehta i/b Kanga & Co. for Plaintiff
None for Defendants

CORAM: **SMT.NISHITA MHATRE, J.**

DATED: **APRIL 12, 2006**

P.C.:

. The suit has been filed for recovery of an amount of Rs.92,226.40 together with interest @ 21.55% p.a. from the date of filing of the suit till realisation. The plaintiff's case is that the defendants were granted a secured loan facility to the extent of Rs.59,800/- repayable with interest @ 7.5% p.a. more than the rate prescribed by the Reserve Bank of India with a minimum of 16.5% p.a. compounded monthly/quarterly. A promissory note was executed on 22.3.1978 by the defendants for the secured loan. A letter of security was also issued by the defendants giving an undertaking to provide a collateral security for repayment of the amount. This collateral security was in the shape of 14 drums or paru chrome black stored in a particular godown. It appears that the defendants have failed to discharge their liability by repaying the amount when called upon to do so by the plaintiffs. Hence, the present suit.

2. Heard the learned Advocate for the Plaintiff.

3. Nobody appears for the Defendant. However, the written statement of the defendants is on record. In the written statement, the main defence of the defendants is that the interest leviable was much less. It is also pleaded that the documents executed by the Defendants were not in accordance with the representation made to them by the bank. The goods which were insecured had already been destroyed due to a fire and, therefore, the plaintiff could claim the amount from the Insurance Company. The defendants were absolved from payment of any amount to the plaintiff.

4. An affidavit of service has been filed indicating that the defendants have shifted their place. Compilation of original documents is also filed.

5. In my view, the plaintiff has substantiated the case made out by it in the plaint. The documents support its case and therefore, the decree must follow. The suit is decreed in terms of prayer clause (a). However, the interest payable from the date of filing the suit is restricted to 6% p.a.